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07-938

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SUPREME COURT, U.S.

IN THE

Supreme Court of the United States

NEW YORK MERCANTILE EXCHANGE, INC.,

Petitioner,

—against—

INTERCONTINENTAL EXCHANGE, INC.,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

RESPONDENT'S BRIEF IN OPPOSITION

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Rule 29.6 Statement

IntercontinentalExchange, Inc. has no parent corporation. No publicly held company owns 10% or more of IntercontinentalExchange, Inc.'s stock.

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IV MELVILLE B. NIMMER,
NIMMER ON COPYRIGHT (2007).....3

Respondent IntercontinentalExchange, Inc. ("ICE") respectfully requests that the Court deny the petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Second Circuit.

Reasons for Denying the Petition

Both the district court and the Second Circuit rejected the federal copyright claim brought by the New York Mercantile Exchange, Inc. ("NYMEX") against ICE. NYMEX identifies no compelling need for this Court to exercise its discretion to review those holdings.

I. Because NYMEX Never Argued for the Abolishment of the Merger Doctrine in the Lower Courts, This Court Should Not Grant Certiorari on This Issue.

NYMEX's copyright claim rests on its contention that ICE unlawfully copies the "settlement prices" for contracts traded on NYMEX's futures exchange, which NYMEX makes available to the public each day as required by the commodities laws. NYMEX acknowledges that the well-established merger doctrine of copyright law provides that "if an idea and the expression of an idea are so intricately intertwined that the ways of expression have little possible variation, copyright protection will be denied." (Pet. 2-3.) The district court held that the merger doctrine "applies in this case" because NYMEX's idea of a settlement price "cannot be distinguished" from its numerical expression. (Pet. App. 61a.) The Second Circuit affirmed, without dissent, holding that NYMEX's

"expression here merges with the idea." (Pet. App. 18a.)

NYMEX now asks this Court to consider whether the merger doctrine "is a proper method of determining copyright protection." (Pet. *i*.) Because NYMEX never made this argument to the district court or the Second Circuit, neither court considered the primary grounds upon which NYMEX seeks review. Only upon reaching the steps of this Court has NYMEX made the sweeping assertions that it "is time to bury the merger doctrine," and that this Court should "instruct the lower courts to abandon the merger doctrine as a tool to determine copyright protection." (Pet. 5, 25.)

NYMEX's failure to attack the merger doctrine below provides ample reason to deny its petition. A question presented in a petition for certiorari that was "not raised in the Court of Appeals" is not properly before the Court. *Delta Air Lines, Inc.* v. *August*, 450 U.S. 346, 362 (1981). NYMEX never provided the lower courts with an opportunity – even in a footnote – to consider the arguments upon which it now seeks review. This case therefore is not the proper vehicle for this Court to consider whether the merger doctrine should be abolished.

II. There Is No Compelling Need for This Court To Undertake a Review of the Merger Doctrine.

Even if NYMEX had raised below its newfound argument that the merger doctrine must be abolished, this Court should not expend its scarce resources to consider this issue.

The merger doctrine is a "classically accepted copyright doctrine" grounded on the long-accepted principle "that copyright protection does not extend to ideas." *CCC Info. Servs., Inc.* v. *Maclean Hunter Mkt. Reports, Inc.*, 44 F.3d 61, 68 (2d Cir. 1994), *cert. denied*, 516 U.S. 817 (1995). In *Mazer* v. *Stein*, this Court stated that copyright "protection is given only to the expression of the idea – not the idea itself." 347 U.S. 201, 217 (1954); *see also Harper & Row Publishers, Inc.* v. *Nation Enters.*, 471 U.S. 539, 556 (1985) ("No author may copyright his ideas or the facts he narrates.") Reflecting this principle, the Copyright Act expressly disallows "copyright protection for . . . any idea . . . regardless of the form in which it is described, explained, illustrated, or embodied." 17 U.S.C. § 102(b). The merger doctrine recognizes that in some cases there are "'only one or so few ways of expressing an idea that protection of the expression would effectively accord protection to the idea itself.'" (Pet. App. 17a (quoting *Kregos* v. *Associated Press*, 937 F.2d 700, 705 (2d Cir. 1991)).) The merger doctrine thus applies when "rigorously protecting the expression would confer a monopoly over the idea itself, in contravention of the statutory command." IV MELVILLE B. NIMMER, NIMMER ON COPYRIGHT § 13.03[B][3], at 13-86 (2007).

NYMEX concedes that the merger doctrine is fully "ingrained in the jurisprudence of the lower courts." (Pet. 16.) Indeed, the courts of appeals have

widely recognized the merger doctrine.[1] In the absence of dissention in the lower courts that might provide a record reflecting arguments both for and against the continued application of the merger doctrine, there is no need for this Court to intervene.

Contrary to NYMEX's assertion (*see* Pet. 17), this Court's decision in *Feist Publications, Inc.* v. *Rural Telephone Service Co.*, 499 U.S. 340 (1991), is fully consistent with the merger doctrine. In *Feist*, the Court addressed the question of "originality" and held that to "qualify for copyright protection" a work must be "independently created by the author" and "possess[] at least some minimal degree of creativity." 499 U.S. at 345. At the same time, however, the Court recognized that copyright law "encourages others to build freely upon the ideas and information conveyed by a work." 499 U.S. at 350. In *Feist*, the Court thus recognized that ideas – even original and creative ideas – are not subject to

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[1] *See Morrissey* v. *Proctor & Gamble Co.*, 379 F.2d 675, 678-79 (1st Cir. 1967); *Kregos*, 937 F.2d at 705; *Educ. Testing Servs.* v. *Katzman*, 793 F.2d 533, 539 (3d Cir. 1986); *M. Kramer Mfg. Co.* v. *Andrews*, 783 F.2d 421, 436 (4th Cir. 1986); *Kern River Gas Transmission Co.* v. *Coastal Corp.*, 899 F.2d 1458, 1463-64 (5th Cir. 1990), *cert. denied*, 498 U.S. 952 (1990); *Kohus* v. *Mariol*, 328 F.3d 848, 856 (6th Cir. 2003); *Assessment Techs. of WI, LLC* v. *WIREdata, Inc.*, 350 F.3d 640, 643 (7th Cir. 2003); *Toro Co.* v. *R & R Prods. Co.*, 787 F.2d 1208, 1212 (8th Cir. 1986); *Herbert Rosenthal Jewelry Corp.* v. *Kalpakian*, 446 F.2d 738, 742 (9th Cir. 1971); *Gates Rubber Co.* v. *Bando Chem. Indus., Ltd.*, 9 F.3d 823, 838 (10th Cir. 1993); *BellSouth Adver. & Publ'g Corp.* v. *Donnelley Info. Publ'g, Inc.*, 999 F.2d 1436, 1442 (11th Cir. 1993) (en banc), *cert. denied*, 510 U.S. 1101 (1994); *Atari Games Corp.* v. *Oman*, 888 F.2d 878, 884-85 (D.C. Cir. 1989); *Hutchins* v. *Zoll Med. Corp.*, 492 F.3d 1377, 1385 (Fed. Cir. 2007).

copyright protection. By denying copyright protection to works that consist solely of the expression of ideas, the merger doctrine encourages the free use of ideas mandated by *Feist*.

III. There Is No Circuit Split That Might Warrant Intervention by This Court.

As an alternative basis for seeking certiorari, NYMEX argues that the decision below conflicts with the Ninth Circuit's decision in *CDN Inc.* v. *Kapes*, 197 F.3d 1256 (9th Cir. 1999), and the Fifth Circuit's decision in *Veeck* v. *Southern Building Code Congress International, Inc.*, 241 F.3d 398 (5th Cir. 2001). NYMEX does not contend that this putative "conflict" reflects a doctrinal disagreement concerning the merger doctrine. *At most*, NYMEX contends that the Second Circuit's "mistaken" assessment of the facts has resulted in an "uneven application of the merger doctrine." (Pet. 12, 22.) This contention provides no basis to grant review in this case, given that "the asserted error consists of erroneous factual findings or the misapplication of a properly stated rule of law." SUP. CT. R. 10.

Moreover, the Second Circuit's decision here does not conflict with the decisions in *CDN* or *Veeck*. *CDN* involved a "wholesale coin price guide" that contained the author's views on what "prices should be" for collectible coins that could vary significantly in their type and condition. 197 F.3d at 1257, 1260. In contrast, based on the record before it, the Second Circuit found that the range of possible expression for NYMEX settlement prices was so "exceptionally narrow" that the merger doctrine was applicable. (Pet. App. 19a.) Any difference in the outcome of this

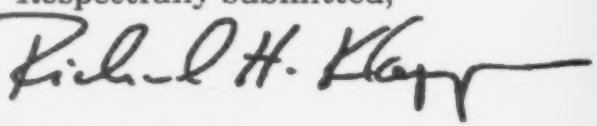
case and *CDN* thus results from factual differences, not from a conflict between the Second and Ninth Circuits.

Finally, NYMEX's reliance on *Veeck* is wholly misplaced. NYMEX asserts that in *Veeck* the Fifth Circuit held "that the merger doctrine had no application" to a copyright claim involving "model building codes." (Pet. 24.) NYMEX fails to note that the panel decision on which it relies was overturned by the Fifth Circuit, sitting *en banc*, which found the applicability of the merger doctrine to be "obvious" and dismissed the copyright claim. 293 F.3d 791, 801 (5th Cir. 2002) (en banc). This Court denied the petition for a writ of certiorari sought in *Veeck*. *See* 539 U.S. 969 (2003). NYMEX has presented no compelling reason for the Court to reach a different result here.

Conclusion

The petition for a writ of certiorari should be denied.

Respectfully submitted,



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